



# CITY OF DIXON

## **Investment Performance Review For the Quarter Ended September 30, 2017**

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## *Market Update*

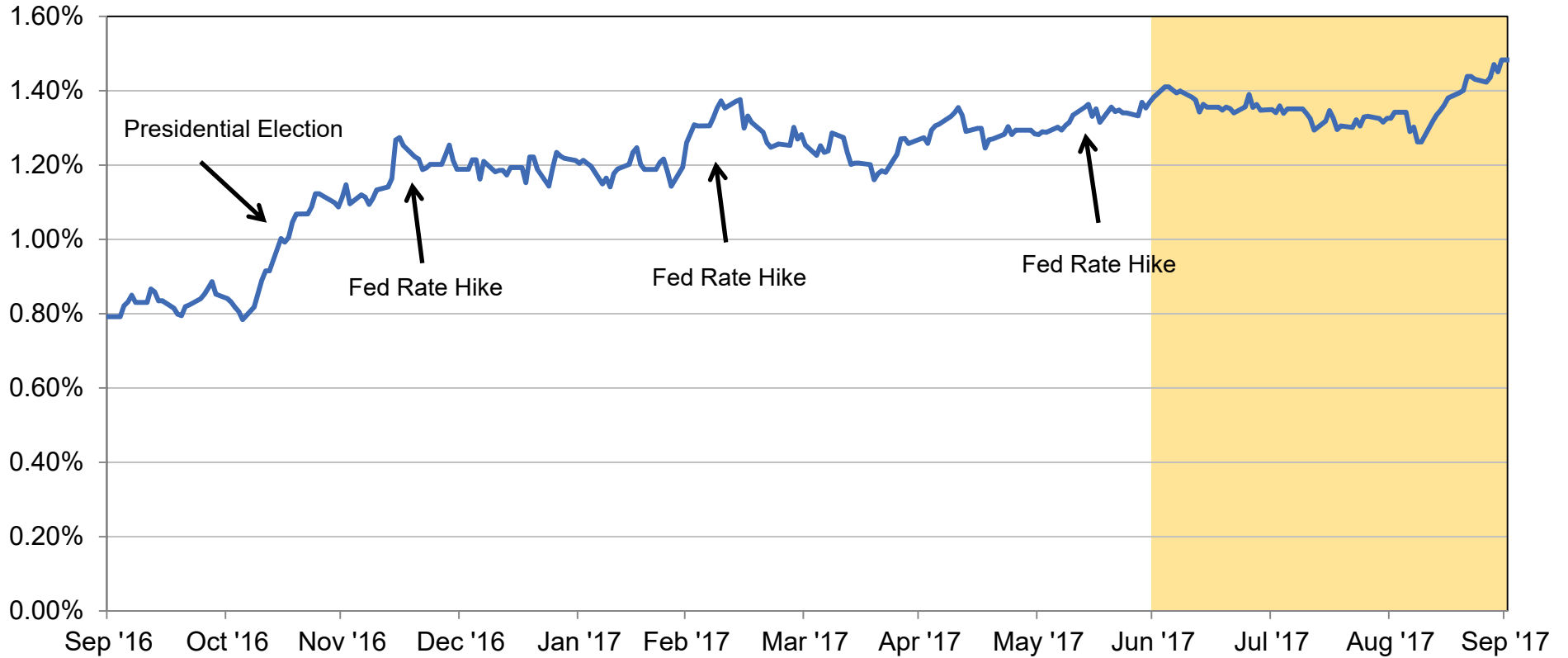
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### Interest Rate Update

- Two-year treasury yields moved modestly higher towards the end of the quarter, possibly due to heightened expectations of another rate hike and a tax overhaul that could increase government borrowing.

### 2-Year Treasury Yields

September 30, 2016 – September 30, 2017

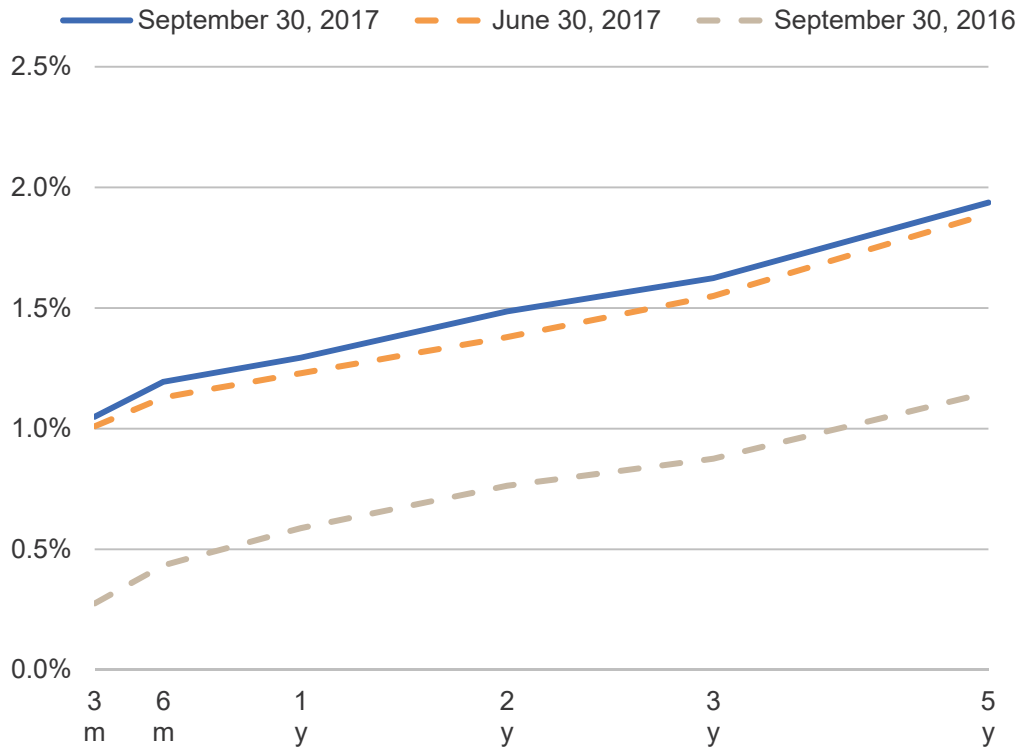


Source: Bloomberg, as of 9/30/17.

### Short-Term Yields Higher but Curve Flatter in Third Quarter

- Treasury yields are substantially higher compared to a year ago. Short-term yields continue to rise in response to the Fed raising rates in their efforts to normalize policy. Longer-term yields still remain relatively low in response to lower inflation and growth expectations.

U.S. Treasury Yield Curve



Yield Curve History

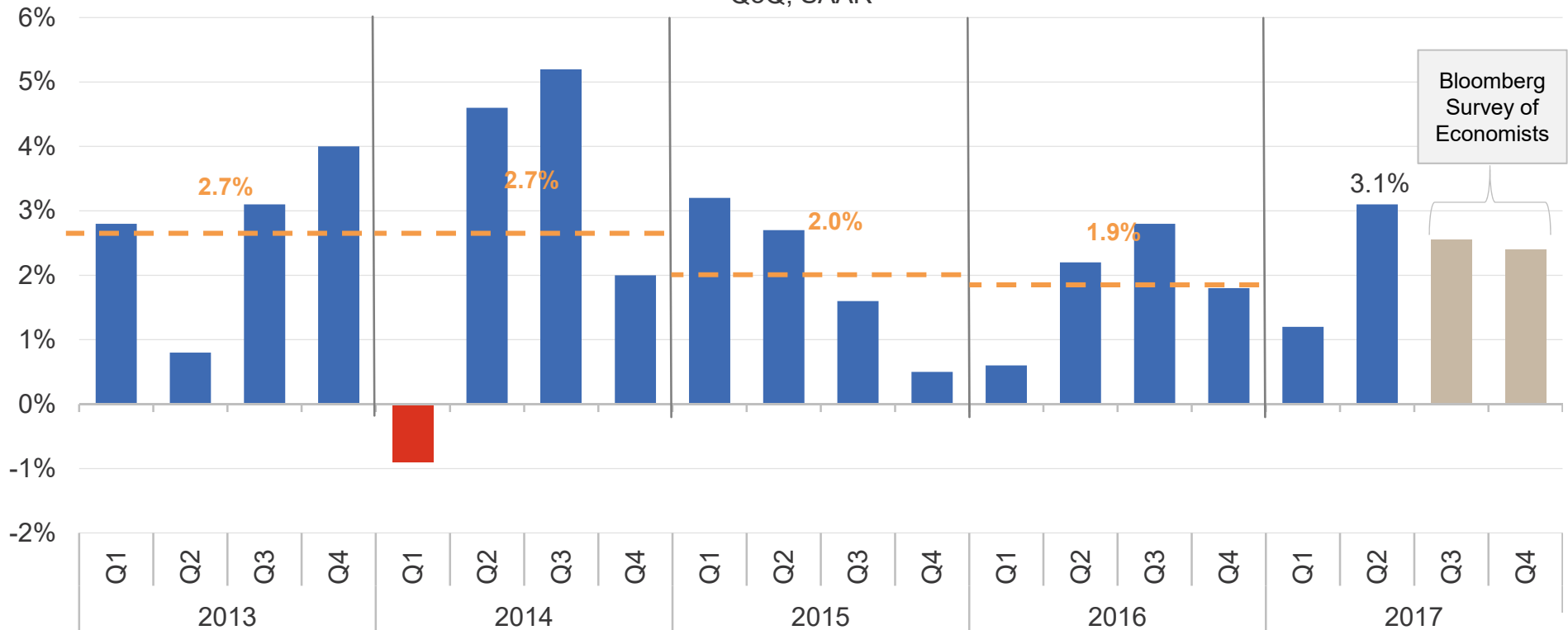
Maturity	6/30/17	9/30/17	Change
3-Mo.	1.01	1.05	0.04
6-Mo.	1.13	1.19	0.06
1-Yr.	1.23	1.29	0.06
2-Yr.	1.38	1.49	0.11
3-Yr.	1.55	1.62	0.07
5-Yr.	1.89	1.94	0.05
10-Yr.	2.31	2.33	0.02
20-Yr.	2.61	2.60	0.01
30-Yr.	2.84	2.86	0.02

Source: Bloomberg, as of 9/30/17.

### Economic Growth

- Gross domestic product (GDP) increased at an annualized rate of 3.1% in the second quarter of 2017.
- The acceleration in second quarter GDP reflected positive contributions from personal consumption, nonresidential private investments, exports, and federal government spending, offset by negative contributions from residential fixed investments, imports, and state and local government spending.

**U.S. Real GDP**  
QoQ, SAAR

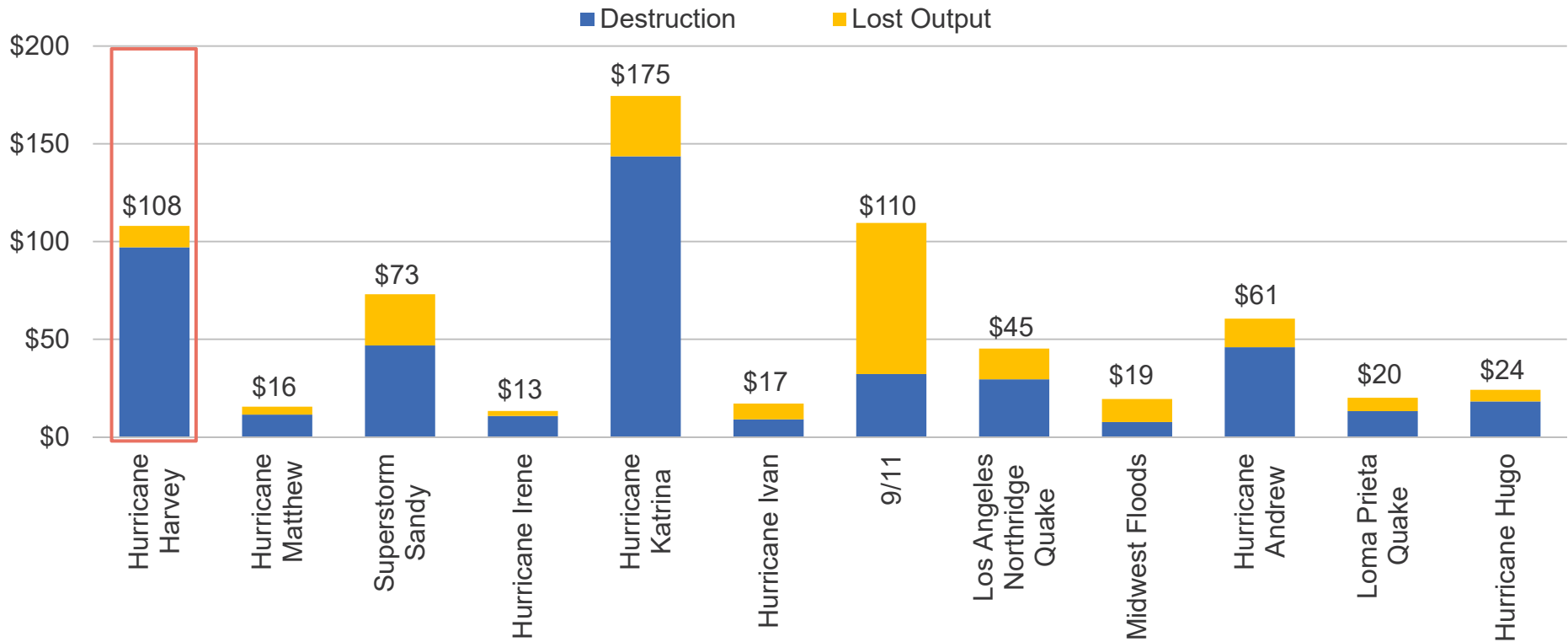


Source: Bloomberg, as of 9/30/17. SAAR is seasonally adjusted annualized rate. Orange dashes denotes four-quarter averages.

### Hurricane Disruption

- Hurricane Harvey is expected to be the second most destructive natural disaster over the last three decades.
- Destruction to property caused by Hurricane Harvey is estimated to range from \$77 to \$97 billion. The lost economic output is forecasted to be \$9 – \$11 billion.

**Total Economic Loss Due to Disasters**  
(Billions of Today's Dollars)

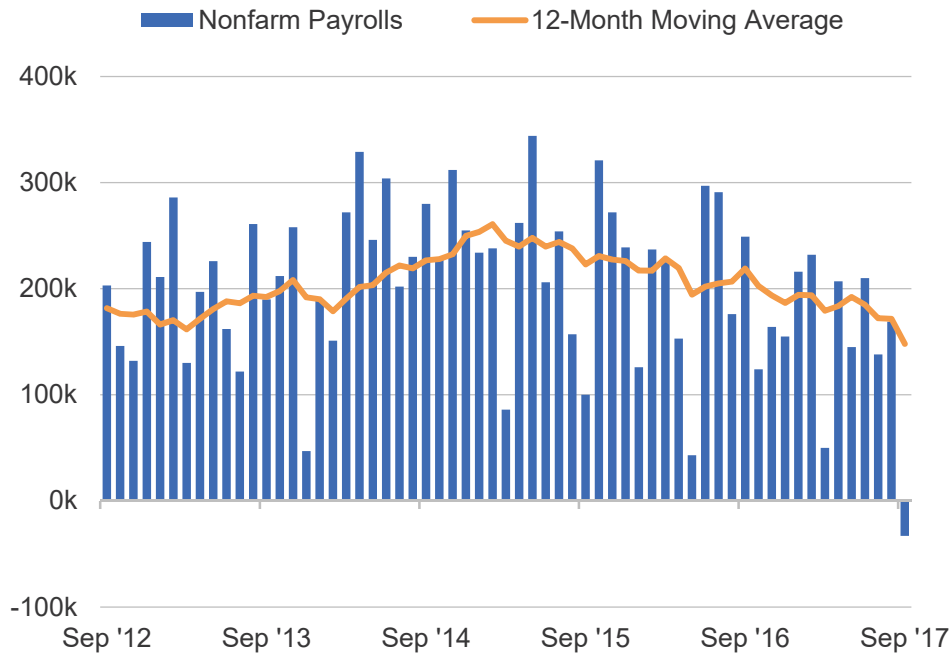


Hurricane Harvey estimates are preliminary and shown in the chart at the high end of the estimated range. Source: The Economic Impact of Hurricane Harvey, Moody's Analytics, 9/5/17.

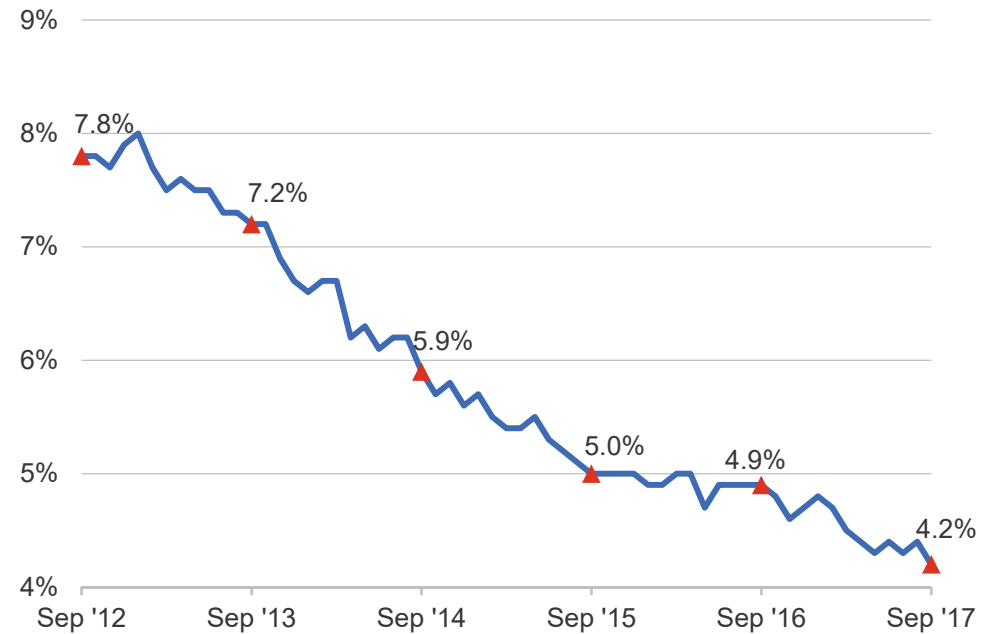
## Labor Market Remains Strong Despite the Impact of Hurricanes

- The U.S. labor market lost 33,000 jobs in September. The first decline in U.S. nonfarm payrolls in seven years.
- Despite the impact of the hurricanes on the September job numbers, the headline unemployment rate ticked down to 4.2%, hitting the lowest level in more than 16 years. The U6 unemployment rate also decreased slightly from 8.6% in June to 8.3% in September, while the labor force participation rate ticked up from 62.8% in June to 63.1% in September.
- Average hourly earnings—an important gauge of wage growth—grew 2.9% over the past 12 months.

Monthly Change in Nonfarm Payrolls



Unemployment Rate

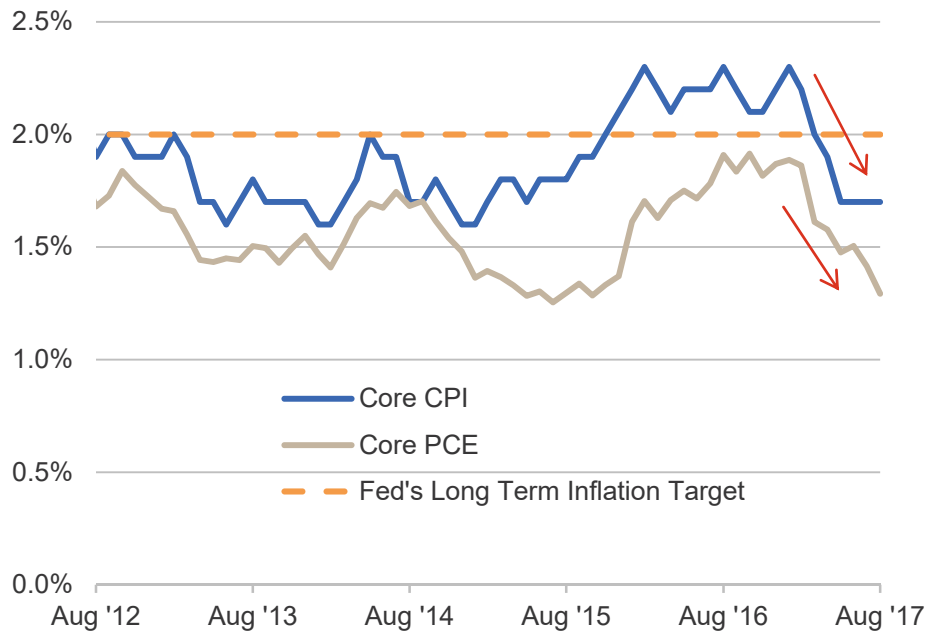


Source: Bloomberg, as of 9/30/17.

### Inflation Steadies but Outlook Remains Weak

- Inflation pressures have declined from levels at the beginning of the year. The core personal consumption expenditures (PCE) price index, the Fed’s preferred measure of inflation, slipped to 1.3% year-over-year in August. While some Fed officials expect this weakness to be transitory, the prospect for another rate hike in 2017 may be diminished should this trend continue.
- Although inflation expectations jumped following the U.S. election, the outlook has since softened, reflecting doubts in the administration’s ability to implement its agenda.

**Inflation Measures**  
(YoY)



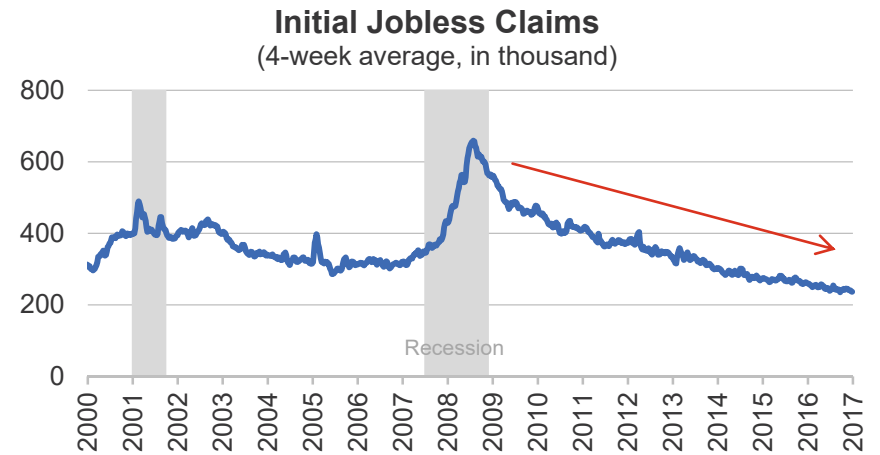
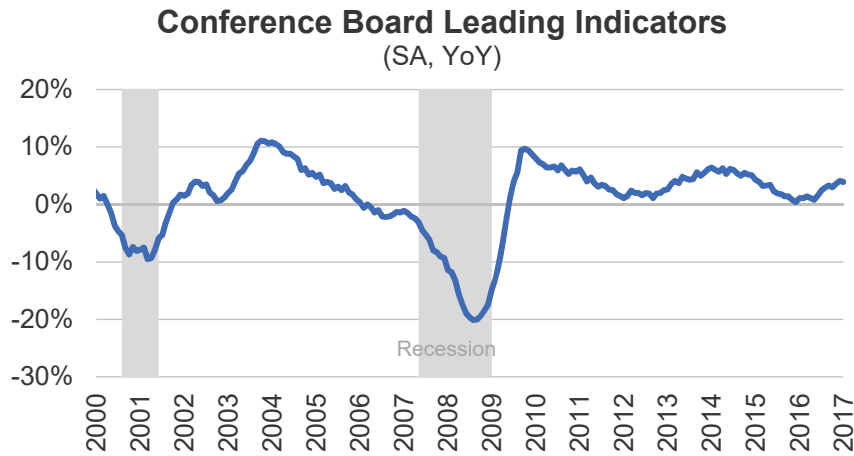
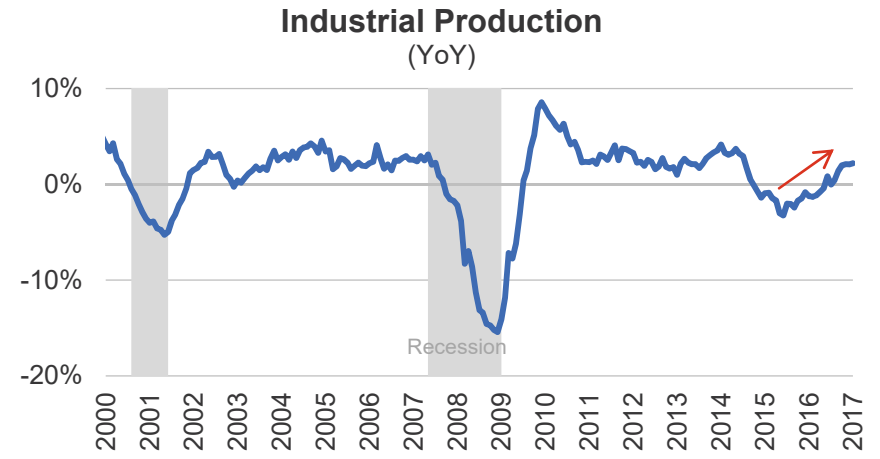
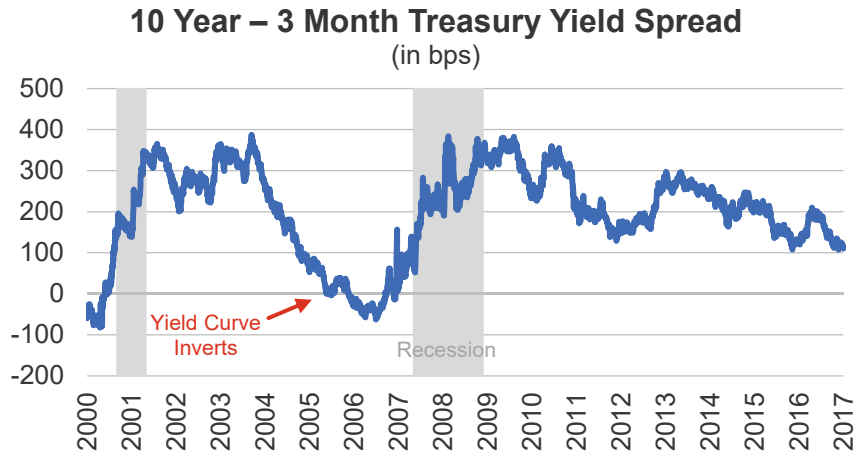
**Expectations for Average Inflation Rate Over Next 5 Years**



Source: Bloomberg, as of 9/30/17. Inflation expectations based on yield difference between 5-year Treasury note and 5-year Treasury Inflation Protected Securities (TIPS).



### U.S. Recession Indicators: Low Risk in the Near-Term

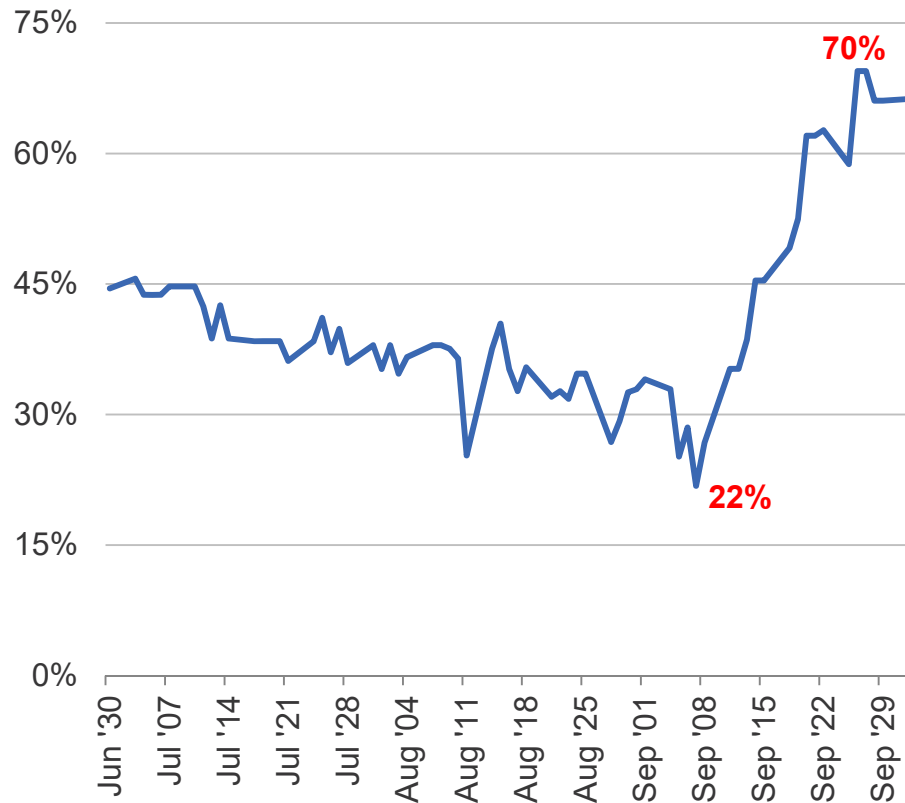


Source: Bloomberg, as of 8/31/17. SA is seasonally adjusted.

### Probability of Fed Rate Hike at the December Meeting

- The probability of a third rate hike in 2017 at the FOMC’s December meeting increased following their September meeting.
- The FOMC will initiate the balance sheet normalization program described in the June 2017 Addendum to the Committee’s Policy Normalization Principles and Plans in October.

**Historical Probability of December Rate Hike**



**Probability of Fed Rate Hike**

Meeting	Probability (25bps)
12/13/2017	70%
1/31/2018	68%
3/21/2018	54%
5/2/2018	54%
6/13/2018	43%

Source: Bloomberg, as of 9/30/2017.

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# *Investment Strategy*

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## Portfolio Recap

- Policy challenges in the U.S., combined with escalating tensions on the geopolitical front, led to bouts of uncertainty which triggered periods of “risk-off” and “risk-on” during the third quarter. Nonetheless, volatility remained low and equities continued to book new record highs, reflective of investor complacency.
- After three rate hikes since December 2016, the Federal Reserve (Fed) shifted gears and announced the beginning of their program to reduce the central bank’s enormous balance sheet. The plan is to gradually reduce the Fed’s securities holdings by decreasing its reinvestment of the principal payments on its large holdings of Treasury and agency mortgage-backed securities. This had little impact on our strategy as the process was telegraphed well in advance and will be gradual and predictable.
- Strong investor appetite for high-quality bonds generally caused the yield spreads on investment-grade fixed income sectors (relative to U.S. Treasuries) to tighten over the quarter, resulting in strong relative performance for corporate, mortgage-backed (MBS), asset-backed (ABS), and supranational securities.
  - The yield spreads on federal agency securities vs. comparable-maturity Treasuries narrowed to historic lows, in some cases near zero, leading to diminished value of the agency sector.
  - Supranationals carried more yield spread and offered an attractive alternative in the high-quality government agency space.
  - Corporate yield spreads also tightened to multi-year lows as investors reaching for yield piled into a limited market supply of investment-grade securities.
  - Following three straight quarters of underperformance, the MBS sector generated solid excess returns during the third quarter and is now in positive excess return territory year-to-date.
  - Despite weakening collateral metrics in some higher risk areas of the ABS sector (e.g., subprime auto loans which PFM does not purchase), higher quality prime auto loan and credit-card-backed tranches performed well, benefitting from higher initial yields.
- Without a clear trend in the direction of interest rates, we maintained the portfolio duration in line with the benchmark to minimize return volatility.

## Outlook and Strategy

- Although current low inflation is a conundrum, recent signaling from Fed officials boosted expectations for another rate hike this year, raising the market-implied probability of a December hike from 30% mid-third quarter to over 70%.
- With 2-year Treasury yields at the highest level since 2008, we plan to maintain the portfolio duration generally in line with the benchmark. However, the significant flattening of the yield curve since the beginning of the year has reduced the benefit of some maturity extensions, so we will carefully assess value along the yield curve.
- As we near the end of Janet Yellen's term as Chair of the Federal Reserve, which will expire early next year, we will assess the market implications of all new appointees to the Fed (there will be a total of 4 openings on the Fed's 7-member Board of Governors).
- Our prevailing economic theme includes moderate growth expectations in the U.S. and abroad, further improvements in the tightening U.S. labor market, healthy consumer demand, and a stable corporate backdrop.
- The impact from the recent Gulf Coast hurricanes will likely manifest itself in weaker economic data for September and early fourth quarter. However, history shows that the effects of weather-related events are typically short-lived and may be smoothed over by the subsequent recovery and rebuilding activity.
- On the policy front, the potential for tax reform is worth watching, as will be the debt ceiling debate, which will resurface in December.

## Outlook and Strategy

- Our outlook on each of the major investment-grade fixed income sectors is as follows:
  - Limited supply and robust demand are likely to keep yield spreads on federal agencies tight. Generally, we favor U.S. Treasuries over agencies, except for new issues that offer a fair yield concession. Supranationals remain an attractive alternative.
  - Corporate fundamentals remain stable, and we continue to view the sector positively. However, recent richness in the sector warrants being more selective with industries, issuers, and individual issues.
  - In the credit space, we find that negotiable certificates of deposit (CDs) offer the best value, especially in the 2-year and under maturity range.
  - Taxable municipal security yields spreads are low and offer limited value. New issue volume is also down relative to last year, constraining supply.
  - ABS continue to offer opportunity for modest incremental yield. We continue to closely monitor developments in the underlying collateral.
  - Our view is less optimistic on the MBS sector as the Fed's balance sheet reduction in this area should put upward pressure on yields. Shorter, more stable structures may offer opportunities, but supply is very limited.

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# *Investment Performance Review*

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## Sector Allocation and Compliance

<u>Security Type</u>	<u>Market Value</u>	<u>% of Portfolio</u>	<u>Permitted by Policy</u>	<u>In Compliance</u>
U.S. Treasury	\$2,446,221	7.3%	100%	✓
Federal Agency	\$4,751,081	14.2%	100%	✓
Federal Agency CMOs	\$42,883	0.1%	100%	✓
Supranationals	\$873,492	2.6%	30%	✓
Negotiable CDs	\$3,503,805	10.4%	30%	✓
Corporate Notes	\$3,616,037	10.8%	30%	✓
Commercial Paper	\$299,748	0.9%	25%	✓
Asset-Backed Securities	\$239,933	0.7%	20%	✓
<b>Securities Sub-Total</b>	<b>\$15,773,200</b>	<b>47.0%</b>		
Accrued Interest	\$57,205			
<b>Securities Total</b>	<b>\$15,830,406</b>			
Money Market Fund	\$7,356	<0.1%	20%	✓
CAMP	\$3,067,184	9.1%	\$5 million	✓
LAIF	\$14,707,362	43.8%	\$65 million	✓
<b>Total Investments</b>	<b>\$33,612,307</b>	<b>100.0%</b>		

As of 9/30/2017. Detail may not add to total due to rounding.

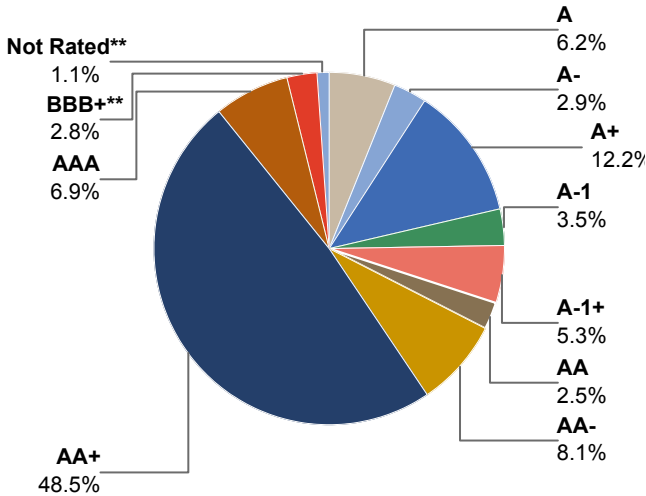


**Portfolio Statistics**

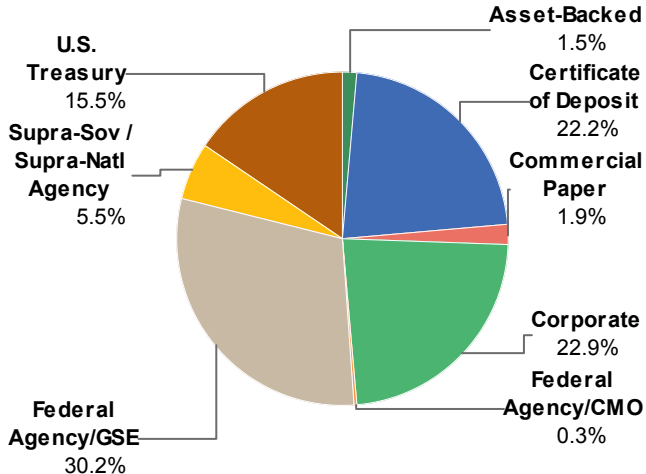
As of September 30, 2017

<b>Par Value:</b>	\$15,817,857
<b>Total Market Value:</b>	\$15,837,761
<b>Security Market Value:</b>	\$15,773,200
<b>Accrued Interest:</b>	\$57,205
<b>Cash:</b>	\$7,356
<b>Amortized Cost:</b>	\$15,815,802
<b>Yield at Market:</b>	1.61%
<b>Yield at Cost:</b>	1.51%
<b>Effective Duration:</b>	1.85 Years
<b>Duration to Worst:</b>	1.85 Years
<b>Average Maturity:</b>	1.93 Years
<b>Average Credit: *</b>	AA

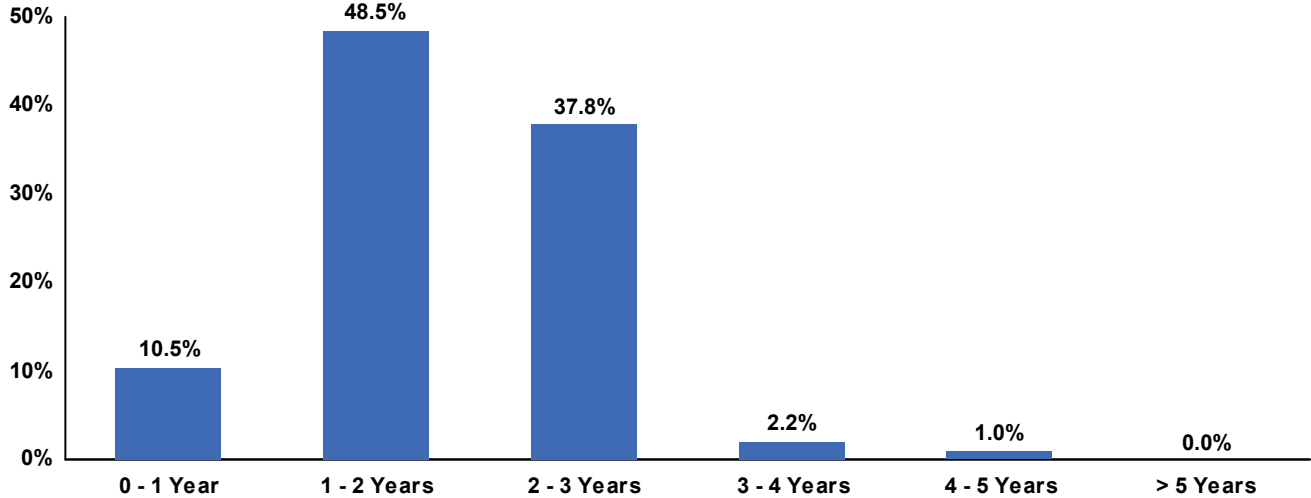
**Credit Quality (S&P Ratings)**



**Sector Allocation**



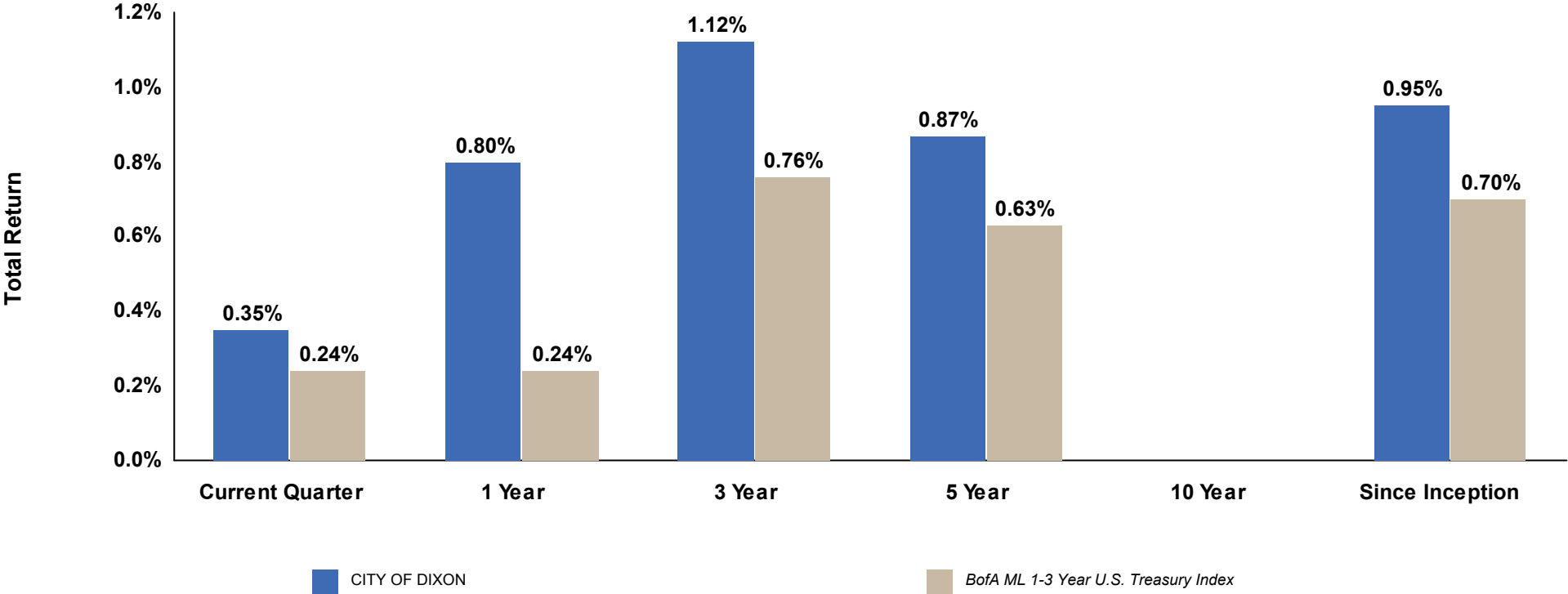
**Maturity Distribution**



\*An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.  
 \*\*Securities Not Rated or rated BBB+ by S&P are rated A- or better by Fitch or A3 or better by Moody's.

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Current Quarter	Annualized Return				Since Inception (09/30/10)
			1 Year	3 Year	5 Year	10 Year	
CITY OF DIXON	1.85	0.35%	0.80%	1.12%	0.87%	-	0.95%
BofA ML 1-3 Year U.S. Treasury Index	1.81	0.24%	0.24%	0.76%	0.63%	-	0.70%
Difference		0.11%	0.56%	0.36%	0.24%	-	0.25%



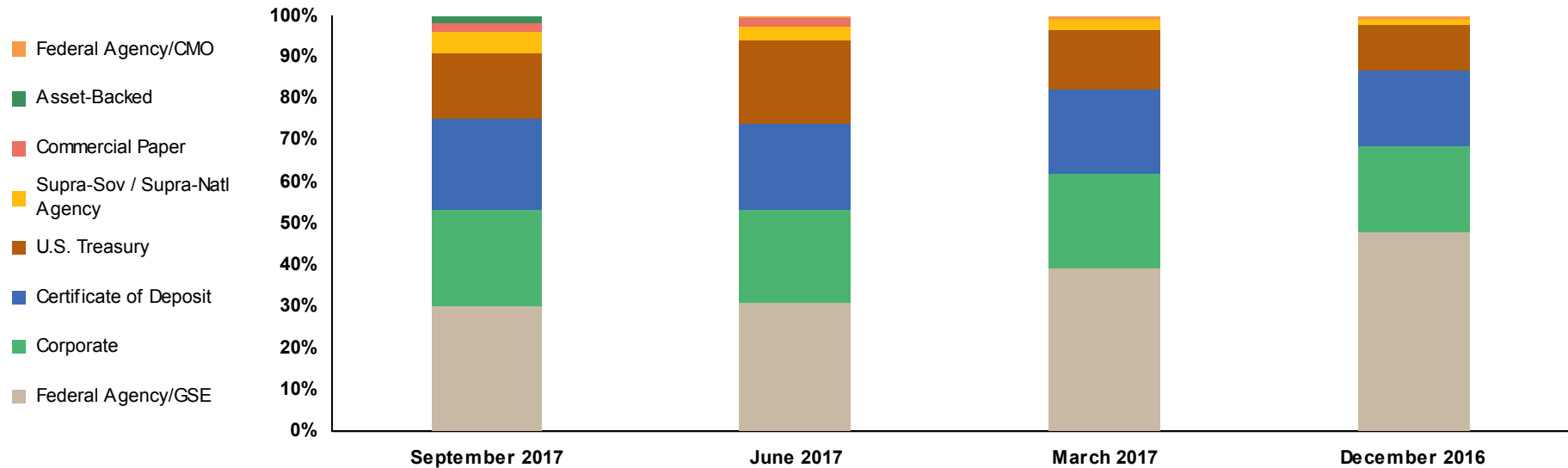
Portfolio performance is gross of fees unless otherwise indicated.

**Portfolio Earnings**  
**Quarter-Ended September 30, 2017**

	<b>Market Value Basis</b>	<b>Accrual (Amortized Cost) Basis</b>
<b>Beginning Value (06/30/2017)</b>	\$15,729,005.12	\$15,767,466.25
<b>Net Purchases/Sales</b>	\$46,002.39	\$46,002.39
<b>Change in Value</b>	(\$1,807.02)	\$2,333.46
<b>Ending Value (09/30/2017)</b>	\$15,773,200.49	\$15,815,802.10
<b>Interest Earned</b>	\$57,086.70	\$57,086.70
<b>Portfolio Earnings</b>	\$55,279.68	\$59,420.16

Sector Allocation

Sector	September 30, 2017		June 30, 2017		March 31, 2017		December 31, 2016	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
Federal Agency/GSE	4.8	30.2%	4.9	31.1%	5.8	39.1%	6.9	47.8%
Corporate	3.6	22.9%	3.5	21.9%	3.4	22.9%	3.0	20.5%
Certificate of Deposit	3.5	22.2%	3.3	20.9%	2.9	20.0%	2.6	18.2%
U.S. Treasury	2.4	15.5%	3.2	20.3%	2.2	14.7%	1.6	11.2%
Supra-Sov / Supra-Natl Agency	0.9	5.5%	0.5	3.4%	0.4	2.5%	0.2	1.5%
Commercial Paper	0.3	1.9%	0.3	1.9%	0.0	0.0%	0.0	0.0%
Asset-Backed	0.2	1.5%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Federal Agency/CMO	0.0	0.3%	0.1	0.5%	0.1	0.8%	0.1	0.8%
<b>Total</b>	<b>\$15.8</b>	<b>100.0%</b>	<b>\$15.7</b>	<b>100.0%</b>	<b>\$14.7</b>	<b>100.0%</b>	<b>\$14.5</b>	<b>100.0%</b>

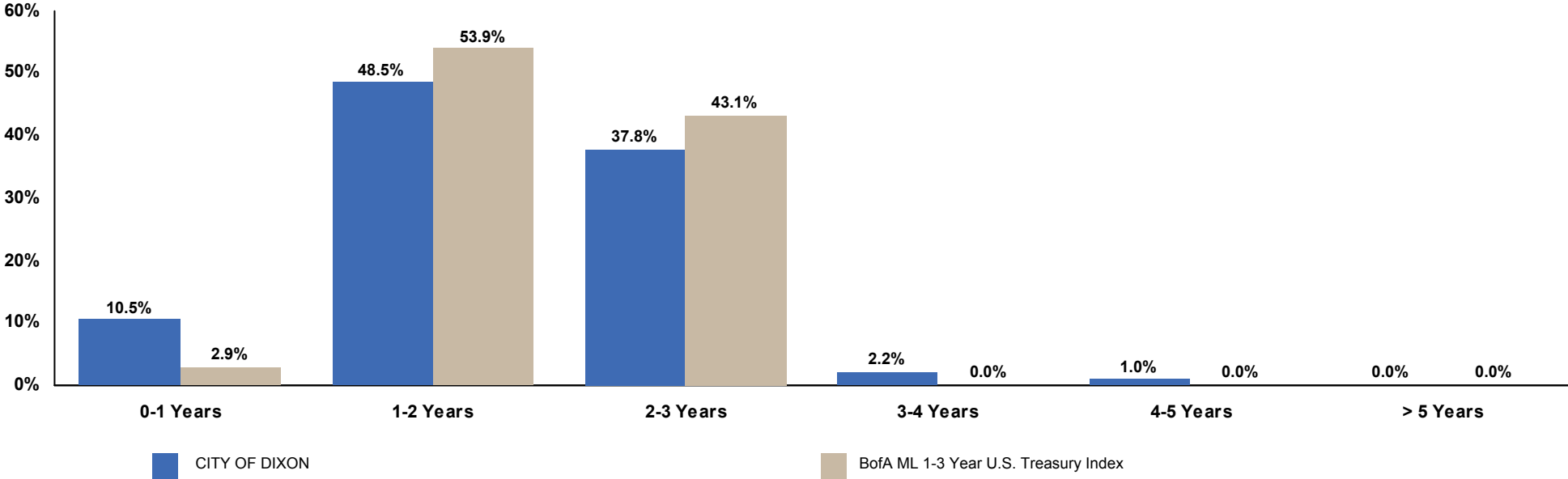


Detail may not add to total due to rounding.

**Maturity Distribution**

As of September 30, 2017

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
CITY OF DIXON	1.61%	1.93 yrs	10.5%	48.5%	37.8%	2.2%	1.0%	0.0%
BofA ML 1-3 Year U.S. Treasury Index	1.48%	1.93 yrs	2.9%	53.9%	43.1%	0.0%	0.0%	0.0%



**Issuer Distribution**  
**As of September 30, 2017**

Issuer	Market Value (\$)	% of Portfolio
FANNIE MAE	2,657,215	16.8%
UNITED STATES TREASURY	2,446,221	15.5%
FEDERAL HOME LOAN BANKS	1,621,207	10.3%
INTL BANK OF RECONSTRUCTION AND DEV	713,949	4.5%
FREDDIE MAC	515,542	3.3%
MITSUBISHI UFJ FINANCIAL GROUP INC	459,697	2.9%
PFIZER INC	378,995	2.4%
TORONTO-DOMINION BANK	350,536	2.2%
SUMITOMO MITSUI FINANCIAL GROUP INC	310,580	2.0%
SKANDINAVISKA ENSKILDA BANKEN AB	299,727	1.9%
WESTPAC BANKING CORP	291,405	1.9%
BANK OF MONTREAL	291,177	1.9%
BANK OF NOVA SCOTIA	289,623	1.8%
SVENSKA HANDELSBANKEN AB	279,103	1.8%
JP MORGAN CHASE & CO	250,838	1.6%
CANADIAN IMPERIAL BANK OF COMMERCE	250,630	1.6%
NORDEA BANK AB	250,630	1.6%
HSBC HOLDINGS PLC	250,099	1.6%

Top 5 = 50.4%

Top 10 = 61.8%

Issuer	Market Value (\$)	% of Portfolio
CREDIT SUISSE GROUP	250,030	1.6%
CITIGROUP INC	245,556	1.6%
CHEVRON CORPORATION	239,661	1.5%
APPLE INC	238,810	1.5%
ROYAL BANK OF CANADA	230,317	1.5%
THE BANK OF NEW YORK MELLON CORPORATION	180,150	1.1%
EXXON MOBIL CORP	175,474	1.1%
INTER-AMERICAN DEVELOPMENT BANK	159,543	1.0%
BANK OF AMERICA CO	154,676	1.0%
STATE STREET CORPORATION	152,600	1.0%
BB&T CORPORATION	151,593	1.0%
GOLDMAN SACHS GROUP INC	150,648	1.0%
THE WALT DISNEY CORPORATION	150,500	1.0%
INTEL CORPORATION	150,317	1.0%
IBM CORP	149,351	1.0%
MICROSOFT CORP	149,314	1.0%
TOYOTA MOTOR CORP	144,621	0.9%
DEERE & COMPANY	140,506	0.9%
AMERICAN HONDA FINANCE	139,250	0.9%
CATERPILLAR INC	119,446	0.8%
HOME DEPOT INC	80,058	0.5%

Issuer	Market Value (\$)	% of Portfolio
MORGAN STANLEY	70,802	0.5%
COCA-COLA COMPANY	67,581	0.4%
HONDA AUTO RECEIVABLES	64,933	0.4%
AMERICAN EXPRESS CO	49,843	0.3%
VISA INC	40,408	0.3%
BERKSHIRE HATHAWAY INC	20,039	0.1%
<b>Grand Total:</b>	<b>15,773,200</b>	<b>100.0%</b>



## Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
<b>BUY</b>									
7/5/17	7/7/17	350,000	912828XM7	US TREASURY NOTES	1.62%	7/31/20	352,685.43	1.60%	
8/1/17	8/3/17	150,000	912828L32	US TREASURY NOTES	1.37%	8/31/20	150,194.63	1.53%	
8/1/17	8/3/17	150,000	459200HM6	IBM CREDIT CORPORATE NOTE	1.62%	5/15/20	149,959.63	1.76%	
8/3/17	8/7/17	290,000	96121T4A3	WESTPAC BANKING CORP NY CD	2.05%	8/3/20	290,000.00	2.05%	
8/3/17	8/4/17	300,000	83050FXT3	SKANDINAV ENSKILDA BANKEN NY CD	1.84%	8/2/19	299,883.00	1.85%	
8/18/17	8/23/17	190,000	459058FS7	INTL BANK OF RECON AND DEV GLOBAL NOTES	1.12%	11/27/19	188,952.83	1.50%	
8/25/17	8/30/17	40,000	92826CAB8	VISA INC (CALLABLE) CORP NOTES	2.20%	12/14/20	40,625.78	1.85%	
8/31/17	9/1/17	650,000	912828L32	US TREASURY NOTES	1.37%	8/31/20	648,831.33	1.44%	
9/5/17	9/7/17	120,000	14913Q2A6	CATERPILLAR FINL SERVICE NOTE	1.85%	9/4/20	119,899.20	1.88%	
9/7/17	9/8/17	165,000	3130ACE26	FHLB NOTES	1.37%	9/28/20	164,470.35	1.48%	
9/8/17	9/12/17	65,000	191216AR1	COCA-COLA CO/THE GLOBAL NOTES	3.15%	11/15/20	68,403.24	1.78%	
9/12/17	9/19/17	160,000	45905UP32	INTL BANK OF RECONSTRUCTION AND DEV NOTE	1.56%	9/12/20	159,616.00	1.64%	
9/13/17	9/18/17	155,000	06051GGS2	BANK OF AMERICA CORP	2.32%	10/1/21	155,000.00	2.33%	
9/19/17	9/20/17	250,000	22549LFP5	CREDIT SUISSE NEW YORK CERT DEPOS	1.61%	6/15/18	250,000.00	1.61%	
9/25/17	9/27/17	160,000	06539RGM3	BANK TOKYO MITSUBISHI UFJ LTD LT CD	2.07%	9/25/19	160,000.00	2.07%	
9/25/17	9/29/17	65,000	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	64,992.96	1.94%	
9/25/17	10/2/17	175,000	17305EGH2	CCCIT 2017-A9 A9	1.80%	9/20/21	174,986.96	1.80%	
<b>Total BUY</b>		<b>3,435,000</b>					<b>3,438,501.34</b>		
<b>INTEREST</b>									
7/1/17	7/25/17	79,075	3136ASPX8	FNMA SERIES 2016-M9 ASQ2	1.78%	6/1/19	117.62		
7/3/17	7/3/17	0	MONEY0002	MONEY MARKET FUND			14.33		
7/10/17	7/10/17	280,000	86958JHB8	SVENSKA HANDELSBANKEN NY LT CD	1.89%	1/10/19	2,631.30		
7/10/17	7/10/17	70,000	172967LF6	CITIGROUP INC	2.45%	1/10/20	857.50		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
7/12/17	7/12/17	80,000	02665WBE0	AMERICAN HONDA FINANCE	1.20%	7/12/19	480.00		
7/15/17	7/15/17	150,000	05531FAS2	BB&T CORP (CALLABLE) NOTE	2.45%	1/15/20	1,837.50		
7/16/17	7/16/17	105,000	3130AAE46	FHLB NOTES	1.25%	1/16/19	656.25		
7/19/17	7/19/17	220,000	3137EAEB1	FHLMC REFERENCE NOTE	0.87%	7/19/19	962.50		
7/23/17	7/23/17	150,000	46625HKA7	JPMORGAN CHASE & CO (CALLABLE)	2.25%	1/23/20	1,687.50		
7/27/17	7/27/17	70,000	61747YDW2	MORGAN STANLEY CORP BONDS	2.65%	1/27/20	927.50		
7/31/17	7/31/17	350,000	912828XM7	US TREASURY NOTES	1.62%	7/31/20	2,843.75		
7/31/17	7/31/17	120,000	912828H52	US TREASURY NOTES	1.25%	1/31/20	750.00		
8/1/17	8/1/17	0	MONEY0002	MONEY MARKET FUND			21.63		
8/1/17	8/25/17	51,386	3136ASPX8	FNMA SERIES 2016-M9 ASQ2	1.78%	6/1/19	76.44		
8/2/17	8/2/17	800,000	3135G0N33	FNMA BENCHMARK NOTE	0.87%	8/2/19	3,500.00		
8/4/17	8/4/17	160,000	037833CB4	APPLE INC CORP NOTES	1.10%	8/2/19	880.00		
8/5/17	8/5/17	300,000	3130A8Y72	FHLB GLOBAL NOTE	0.87%	8/5/19	1,312.50		
8/6/17	8/6/17	50,000	594918BV5	MICROSOFT CORP	1.85%	2/6/20	462.50		
8/7/17	8/7/17	290,000	06427KRC3	BANK OF MONTREAL CHICAGO CERT DEPOS	1.88%	2/7/19	2,695.71		
8/8/17	8/8/17	100,000	594918BN3	MICROSOFT CORP NOTES	1.10%	8/8/19	550.00		
8/15/17	8/15/17	220,000	459058FK4	INTL BANK OF RECON AND DEV SN NOTE	0.87%	8/15/19	963.60		
8/15/17	8/15/17	30,000	084670BX5	BERKSHIRE HATHAWAY INC GLOBAL NOTES	1.15%	8/15/18	172.50		
8/18/17	8/18/17	150,000	857477AS2	STATE STREET CORP NOTES	2.55%	8/18/20	1,912.50		
8/22/17	8/22/17	60,000	02665WBA8	AMERICAN HONDA FINANCE CORP NOTES	1.70%	2/22/19	510.00		
8/23/17	8/23/17	80,000	037833BQ2	APPLE INC CORP NOTES	1.70%	2/22/19	680.00		
8/26/17	8/26/17	500,000	3135G0J53	FNMA BENCHMARK NOTE	1.00%	2/26/19	2,500.00		
8/26/17	8/26/17	540,000	3135G0J53	FNMA BENCHMARK NOTE	1.00%	2/26/19	2,700.00		
8/26/17	8/26/17	450,000	3135G0J53	FNMA BENCHMARK NOTE	1.00%	2/26/19	2,250.00		
8/28/17	8/28/17	220,000	3135G0T29	FNMA NOTES	1.50%	2/28/20	1,650.00		
8/28/17	8/28/17	125,000	3135G0P49	FNMA NOTES	1.00%	8/28/19	625.00		
8/31/17	8/31/17	150,000	912828L32	US TREASURY NOTES	1.37%	8/31/20	1,031.25		
9/1/17	9/1/17	100,000	46623EKD0	JP MORGAN CHASE CORP NOTES (CALLABLE)	1.70%	3/1/18	850.00		
9/1/17	9/1/17	0	MONEY0002	MONEY MARKET FUND			7.02		
9/1/17	9/25/17	47,691	3136ASPX8	FNMA SERIES 2016-M9 ASQ2	1.78%	6/1/19	70.94		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
9/4/17	9/4/17	120,000	25468PDP8	WALT DISNEY COMPANY CORP NOTES	1.95%	3/4/20	1,157.00		
9/4/17	9/4/17	30,000	25468PDP8	WALT DISNEY COMPANY CORP NOTES	1.95%	3/4/20	289.25		
9/6/17	9/6/17	175,000	30231GAG7	EXXON MOBIL CORP NOTE	1.91%	3/6/20	1,673.00		
9/9/17	9/9/17	230,000	78009NZZ2	ROYAL BANK OF CANADA NY CD	1.70%	3/9/18	1,955.00		
9/13/17	9/13/17	60,000	24422ETQ2	JOHN DEERE CAPITAL CORP CORP NOTES	2.20%	3/13/20	652.67		
9/15/17	9/15/17	20,000	084664CG4	BERKSHIRE HATHAWAY INC NOTES	1.70%	3/15/19	170.00		
9/26/17	9/26/17	435,000	3130A9EP2	FHLB GLOBAL NOTES	1.00%	9/26/19	2,175.00		
9/28/17	9/28/17	165,000	3130ACE26	FHLB NOTES	1.37%	9/28/20	126.04		
9/30/17	9/30/17	200,000	912828UV0	US TREASURY NOTES	1.12%	3/31/20	1,125.00		
<b>Total INTEREST</b>		<b>7,533,152</b>					<b>48,510.30</b>		
<b>PAYDOWNS</b>									
7/1/17	7/25/17	27,689	3136ASPX8	FNMA SERIES 2016-M9 ASQ2	1.78%	6/1/19	27,688.74		0.00
8/1/17	8/25/17	3,695	3136ASPX8	FNMA SERIES 2016-M9 ASQ2	1.78%	6/1/19	3,695.37		0.00
9/1/17	9/25/17	4,834	3136ASPX8	FNMA SERIES 2016-M9 ASQ2	1.78%	6/1/19	4,834.07		0.00
<b>Total PAYDOWNS</b>		<b>36,218</b>					<b>36,218.18</b>		<b>0.00</b>
<b>SELL</b>									
7/5/17	7/7/17	250,000	90333VPF1	US BANK NA CINCIN CD(CALLED OMD 9/11/17)	1.37%	8/11/17	251,162.64	1.20%	79.24
7/5/17	7/7/17	100,000	30231GAL6	EXXON MOBIL CORP NOTES	1.30%	3/6/18	100,382.63	1.39%	(56.00)
8/1/17	8/3/17	150,000	17275RAU6	CISCO SYSTEMS INC CORP NOTE	1.65%	6/15/18	150,577.50	1.46%	255.02
8/1/17	8/3/17	70,000	912828WD8	US TREASURY NOTES	1.25%	10/31/18	70,193.07	1.29%	(115.80)
8/3/17	8/3/17	20,000	912828WD8	US TREASURY NOTES	1.25%	10/31/18	20,055.95	1.28%	(32.30)
8/3/17	8/4/17	280,000	83050FBG5	SKANDINAVISKA ENSKILDA BANKEN NY CD	1.48%	11/16/17	283,146.36	1.27%	141.96
8/3/17	8/7/17	290,000	912828UV0	US TREASURY NOTES	1.12%	3/31/20	288,940.92	1.42%	2,117.59
8/18/17	8/23/17	190,000	912828G61	US TREASURY NOTES	1.50%	11/30/19	191,247.85	1.36%	412.17

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
8/25/17	8/30/17	40,000	912828WD8	US TREASURY NOTES	1.25%	10/31/18	40,161.07	1.26%	(49.33)
8/31/17	9/1/17	315,000	3137EAED7	FHLMC REFERENCE NOTE	0.87%	10/12/18	314,593.17	1.30%	(1,397.74)
8/31/17	9/1/17	60,000	912828WD8	US TREASURY NOTES	1.25%	10/31/18	60,250.38	1.25%	(256.20)
8/31/17	9/1/17	80,000	912828WD8	US TREASURY NOTES	1.25%	10/31/18	80,333.82	1.25%	(92.00)
8/31/17	9/1/17	200,000	912828A34	US TREASURY NOTES	1.25%	11/30/18	200,604.00	1.26%	(34.57)
9/5/17	9/7/17	90,000	06406HDB2	BANK OF NEW YORK MELLON CORP (CALLABLE)	1.60%	5/22/18	90,479.40	1.50%	61.38
9/5/17	9/7/17	30,000	084670BX5	BERKSHIRE HATHAWAY INC GLOBAL NOTES	1.15%	8/15/18	29,928.38	1.48%	(91.00)
9/7/17	9/8/17	165,000	912828XH8	US TREASURY NOTES	1.62%	6/30/20	166,663.73	1.37%	598.59
9/8/17	9/12/17	65,000	912828XH8	US TREASURY NOTES	1.62%	6/30/20	65,666.89	1.37%	236.63
9/12/17	9/19/17	160,000	912828XH8	US TREASURY NOTES	1.62%	6/30/20	161,359.78	1.44%	254.81
9/13/17	9/18/17	155,000	912828XH8	US TREASURY NOTES	1.62%	6/30/20	156,249.89	1.46%	185.80
9/19/17	9/20/17	250,000	22549VN58	CREDIT SUISSE NEW YORK CERT DEPOS	1.46%	11/21/17	251,695.97	1.28%	73.75
9/25/17	9/27/17	160,000	912828A75	US TREASURY NOTES	1.50%	12/31/18	160,861.68	1.36%	(277.53)
9/25/17	10/2/17	50,000	912828A75	US TREASURY NOTES	1.50%	12/31/18	50,275.56	1.36%	(88.77)
9/25/17	10/2/17	160,000	912828A75	US TREASURY NOTES	1.50%	12/31/18	160,881.79	1.36%	(301.91)
9/26/17	9/27/17	20,000	912828A75	US TREASURY NOTES	1.50%	12/31/18	20,105.36	1.37%	(39.30)
<b>Total SELL</b>		<b>3,350,000</b>					<b>3,365,817.79</b>		<b>1,584.49</b>

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# *Account Holdings*

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**Managed Account Detail of Securities Held**

For the Month Ending **September 30, 2017**

**CITY OF DIXON**

<b>Security Type/Description Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 12/31/2013 1.500% 12/31/2018	912828A75	90,000.00	AA+	Aaa	04/24/17	04/25/17	90,432.43	1.21	341.17	90,321.69	90,098.46
US TREASURY NOTES DTD 12/01/2014 1.500% 11/30/2019	912828G61	240,000.00	AA+	Aaa	12/01/16	12/05/16	240,300.00	1.46	1,209.84	240,218.77	239,962.56
US TREASURY NOTES DTD 02/02/2015 1.250% 01/31/2020	912828H52	120,000.00	AA+	Aaa	01/03/17	01/05/17	119,034.37	1.52	252.72	119,263.12	119,212.56
US TREASURY NOTES DTD 04/01/2013 1.125% 03/31/2020	912828UV0	200,000.00	AA+	Aaa	03/15/17	03/17/17	196,585.94	1.70	6.18	197,181.53	197,882.80
US TREASURY NOTES DTD 04/30/2015 1.375% 04/30/2020	912828K58	200,000.00	AA+	Aaa	04/03/17	04/05/17	199,203.13	1.51	1,150.82	199,327.86	199,000.00
US TREASURY NOTES DTD 06/30/2015 1.625% 06/30/2020	912828XH8	455,000.00	AA+	Aaa	06/26/17	06/28/17	456,635.16	1.50	1,868.53	456,497.42	455,373.10
US TREASURY NOTES DTD 07/31/2015 1.625% 07/31/2020	912828XM7	350,000.00	AA+	Aaa	07/05/17	07/07/17	350,218.75	1.60	958.22	350,203.56	350,191.45
US TREASURY NOTES DTD 08/31/2015 1.375% 08/31/2020	912828L32	150,000.00	AA+	Aaa	08/01/17	08/03/17	149,320.31	1.53	176.62	149,355.80	148,968.75
US TREASURY NOTES DTD 08/31/2015 1.375% 08/31/2020	912828L32	650,000.00	AA+	Aaa	08/31/17	09/01/17	648,806.64	1.44	765.37	648,839.06	645,531.25

<b>Security Type Sub-Total</b>		<b>2,455,000.00</b>					<b>2,450,536.73</b>	<b>1.50</b>	<b>6,729.47</b>	<b>2,451,208.81</b>	<b>2,446,220.93</b>
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<b>Supra-National Agency Bond / Note</b>											
INTL BANK OF RECON AND DEV SN NOTE DTD 07/13/2016 0.875% 08/15/2019	459058FK4	220,000.00	AAA	Aaa	07/06/16	07/13/16	219,953.80	0.88	245.97	219,971.66	216,937.82
INTL BANK OF RECON AND DEV GLOBAL NOTES DTD 10/27/2016 1.125% 11/27/2019	459058FS7	190,000.00	AAA	Aaa	08/18/17	08/23/17	188,441.75	1.50	736.25	188,513.77	187,814.62
INTL BK RECON & DEVELOP NOTES DTD 03/21/2017 1.875% 04/21/2020	459058FZ1	150,000.00	AAA	Aaa	03/14/17	03/21/17	149,869.50	1.90	1,484.38	149,892.26	150,560.85



**Managed Account Detail of Securities Held**

For the Month Ending **September 30, 2017**

**CITY OF DIXON**

<b>Security Type/Description Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>Supra-National Agency Bond / Note</b>											
INTER-AMERICAN DEVEL BK NOTE DTD 04/12/2017 1.625% 05/12/2020	4581X0CX4	160,000.00	AAA	Aaa	04/05/17	04/12/17	159,620.80	1.70	1,220.56	159,678.01	159,543.04
INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 09/19/2017 1.561% 09/12/2020	45905UP32	160,000.00	AAA	Aaa	09/12/17	09/19/17	159,616.00	1.64	83.25	159,620.20	158,636.00

<b>Security Type Sub-Total</b>		<b>880,000.00</b>					<b>877,501.85</b>	<b>1.48</b>	<b>3,770.41</b>	<b>877,675.90</b>	<b>873,492.33</b>
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<b>Federal Agency Collateralized Mortgage Obligation</b>											
FNMA SERIES 2016-M9 ASQ2 DTD 06/01/2016 1.785% 06/01/2019	3136ASPX8	42,856.73	AA+	Aaa	06/09/16	06/30/16	43,285.28	1.05	63.75	43,070.54	42,882.75

<b>Security Type Sub-Total</b>		<b>42,856.73</b>					<b>43,285.28</b>	<b>1.05</b>	<b>63.75</b>	<b>43,070.54</b>	<b>42,882.75</b>
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<b>Federal Agency Bond / Note</b>											
FHLB NOTES DTD 12/08/2016 1.250% 01/16/2019	3130AAE46	105,000.00	AA+	Aaa	12/07/16	12/08/16	104,995.80	1.25	273.44	104,997.20	104,744.12
FNMA BENCHMARK NOTE DTD 02/23/2016 1.000% 02/26/2019	3135G0J53	450,000.00	AA+	Aaa	05/17/16	05/18/16	449,644.50	1.03	437.50	449,819.60	447,134.85
FNMA BENCHMARK NOTE DTD 02/23/2016 1.000% 02/26/2019	3135G0J53	500,000.00	AA+	Aaa	05/20/16	05/23/16	498,485.00	1.11	486.11	499,224.75	496,816.50
FNMA BENCHMARK NOTE DTD 02/23/2016 1.000% 02/26/2019	3135G0J53	540,000.00	AA+	Aaa	09/01/16	09/02/16	540,194.40	0.99	525.00	540,110.50	536,561.82
FHLB GLOBAL NOTE DTD 06/03/2016 1.125% 06/21/2019	3130A8DB6	250,000.00	AA+	Aaa	06/28/16	06/29/16	252,127.50	0.84	781.25	251,236.78	248,456.00
FHLB GLOBAL NOTE DTD 06/03/2016 1.125% 06/21/2019	3130A8DB6	380,000.00	AA+	Aaa	06/02/16	06/03/16	379,840.40	1.14	1,187.50	379,908.91	377,653.12
FHLMC REFERENCE NOTE DTD 07/20/2016 0.875% 07/19/2019	3137EAEB1	220,000.00	AA+	Aaa	07/19/16	07/20/16	219,467.60	0.96	385.00	219,678.48	217,453.06
FNMA BENCHMARK NOTE DTD 08/02/2016 0.875% 08/02/2019	3135G0N33	800,000.00	AA+	Aaa	07/29/16	08/02/16	798,656.00	0.93	1,147.22	799,173.09	790,567.20



**Managed Account Detail of Securities Held**

For the Month Ending **September 30, 2017**

**CITY OF DIXON**

<b>Security Type/Description Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>Federal Agency Bond / Note</b>											
FHLB GLOBAL NOTE DTD 08/04/2016 0.875% 08/05/2019	3130A8Y72	300,000.00	AA+	Aaa	08/03/16	08/04/16	299,424.00	0.94	408.33	299,644.31	296,450.70
FNMA NOTES DTD 09/02/2016 1.000% 08/28/2019	3135G0P49	125,000.00	AA+	Aaa	10/03/16	10/05/16	124,925.00	1.02	114.58	124,950.49	123,775.25
FHLB GLOBAL NOTES DTD 09/09/2016 1.000% 09/26/2019	3130A9EP2	435,000.00	AA+	Aaa	09/08/16	09/09/16	434,621.55	1.03	60.42	434,751.68	430,481.22
FNMA NOTES DTD 02/28/2017 1.500% 02/28/2020	3135G0T29	220,000.00	AA+	Aaa	02/24/17	02/28/17	219,859.20	1.52	302.50	219,886.48	219,476.84
FHLMC AGENCY NOTES DTD 04/20/2017 1.375% 04/20/2020	3137EAEF2	300,000.00	AA+	Aaa	04/24/17	04/25/17	298,584.00	1.54	1,844.79	298,785.73	298,088.70
FHLB NOTES DTD 09/08/2017 1.375% 09/28/2020	3130ACE26	165,000.00	AA+	Aaa	09/07/17	09/08/17	164,470.35	1.48	18.91	164,480.78	163,421.61

<b>Security Type Sub-Total</b>		<b>4,790,000.00</b>					<b>4,785,295.30</b>	<b>1.08</b>	<b>7,972.55</b>	<b>4,786,648.78</b>	<b>4,751,080.99</b>
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<b>Corporate Note</b>											
JP MORGAN CHASE CORP NOTES (CALLABLE) DTD 03/02/2015 1.700% 03/01/2018	46623EKD0	100,000.00	A-	A3	02/25/15	03/02/15	99,974.00	1.71	141.67	99,996.31	100,030.00
BANK OF NEW YORK MELLON CORP (CALLABLE) DTD 05/29/2015 1.600% 05/22/2018	06406HDB2	180,000.00	A	A1	05/22/15	05/29/15	179,983.80	1.60	1,032.00	179,996.40	180,150.12
JOHN DEERE CAPITAL CORP DTD 01/06/2017 1.650% 10/15/2018	24422ETM1	60,000.00	A	A2	01/03/17	01/06/17	59,961.00	1.69	456.50	59,976.73	60,036.66
AMERICAN HONDA FINANCE CORP NOTES DTD 02/23/2016 1.700% 02/22/2019	02665WBA8	60,000.00	A+	A1	02/18/16	02/23/16	59,988.00	1.71	110.50	59,994.35	59,975.28
APPLE INC CORP NOTES DTD 02/23/2016 1.700% 02/22/2019	037833BQ2	80,000.00	AA+	Aa1	02/16/16	02/23/16	79,986.40	1.71	143.56	79,993.61	80,192.00
BERKSHIRE HATHAWAY INC NOTES DTD 03/15/2016 1.700% 03/15/2019	084664CG4	20,000.00	AA	Aa2	03/08/16	03/15/16	19,984.80	1.73	15.11	19,992.53	20,038.72





## Managed Account Detail of Securities Held

For the Month Ending **September 30, 2017**

### CITY OF DIXON

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate Note</b>											
CHEVRON CORP NOTES DTD 05/16/2016 1.561% 05/16/2019	166764BH2	240,000.00	AA-	Aa2	05/09/16	05/16/16	240,000.00	1.56	1,404.90	240,000.00	239,660.64
PFIZER INC CORP NOTES DTD 06/03/2016 1.450% 06/03/2019	717081DU4	300,000.00	AA	A1	06/21/16	06/24/16	300,861.00	1.35	1,425.83	300,493.94	299,037.60
AMERICAN HONDA FINANCE DTD 07/12/2016 1.200% 07/12/2019	02665WBE0	80,000.00	A+	A1	07/07/16	07/12/16	79,920.00	1.23	210.67	79,952.17	79,274.72
APPLE INC CORP NOTES DTD 08/04/2016 1.100% 08/02/2019	037833CB4	160,000.00	AA+	Aa1	07/28/16	08/04/16	159,840.00	1.13	278.67	159,901.28	158,617.60
MICROSOFT CORP NOTES DTD 08/08/2016 1.100% 08/08/2019	594918BN3	100,000.00	AAA	Aaa	08/01/16	08/08/16	99,897.00	1.14	161.94	99,935.99	99,108.30
TOYOTA MOTOR CORP NOTES DTD 10/18/2016 1.550% 10/18/2019	89236TDH5	75,000.00	AA-	Aa3	10/13/16	10/18/16	74,962.50	1.57	526.35	74,974.22	74,595.68
AMERICAN EXPRESS CREDIT (CALLABLE) CORP DTD 10/31/2016 1.700% 10/30/2019	0258M0EC9	50,000.00	A-	A2	10/26/16	10/31/16	49,940.50	1.74	356.53	49,958.41	49,842.85
GOLDMAN SACHS GROUP INC BONDS DTD 12/13/2016 2.300% 12/13/2019	38145GAJ9	150,000.00	BBB+	A3	12/08/16	12/13/16	149,887.50	2.33	1,035.00	149,916.77	150,648.30
PFIZER INC CORP NOTE DTD 11/21/2016 1.700% 12/15/2019	717081EB5	80,000.00	AA	A1	11/14/16	11/21/16	79,942.40	1.72	400.44	79,958.03	79,957.44
CITIGROUP INC DTD 01/10/2017 2.450% 01/10/2020	172967LF6	70,000.00	BBB+	Baa1	01/04/17	01/10/17	69,972.00	2.46	385.88	69,978.59	70,555.73
BB&T CORP (CALLABLE) NOTE DTD 12/08/2014 2.450% 01/15/2020	05531FAS2	150,000.00	A-	A2	02/02/17	02/07/17	151,485.00	2.10	775.83	151,164.86	151,593.00
JPMORGAN CHASE & CO (CALLABLE) DTD 01/23/2015 2.250% 01/23/2020	46625HKA7	150,000.00	A-	A3	03/16/17	03/21/17	150,079.50	2.23	637.50	150,066.53	150,807.60
MORGAN STANLEY CORP BONDS DTD 01/27/2015 2.650% 01/27/2020	61747YDW2	70,000.00	BBB+	A3	01/31/17	02/03/17	70,605.50	2.35	329.78	70,474.94	70,802.34
MICROSOFT CORP DTD 02/06/2017 1.850% 02/06/2020	594918BV5	50,000.00	AAA	Aaa	01/30/17	02/06/17	49,966.50	1.87	141.32	49,973.64	50,205.85



**Managed Account Detail of Securities Held**

For the Month Ending **September 30, 2017**

**CITY OF DIXON**

<b>Security Type/Description Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>Corporate Note</b>											
WALT DISNEY COMPANY CORP NOTES DTD 03/06/2017 1.950% 03/04/2020	25468PDP8	30,000.00	A+	A2	03/01/17	03/06/17	29,992.20	1.96	43.88	29,993.64	30,099.99
WALT DISNEY COMPANY CORP NOTES DTD 03/06/2017 1.950% 03/04/2020	25468PDP8	120,000.00	A+	A2	04/24/17	04/27/17	120,646.80	1.76	175.50	120,552.63	120,399.96
EXXON MOBIL CORP NOTE DTD 03/06/2015 1.912% 03/06/2020	30231GAG7	175,000.00	AA+	Aaa	04/03/17	04/05/17	175,698.25	1.77	232.36	175,584.58	175,474.43
JOHN DEERE CAPITAL CORP CORP NOTES DTD 03/15/2017 2.200% 03/13/2020	24422ETQ2	60,000.00	A	A2	03/10/17	03/15/17	59,953.20	2.23	66.00	59,961.45	60,448.86
TOYOTA MOTOR CREDIT CORP DTD 04/17/2017 1.950% 04/17/2020	89236TDU6	70,000.00	AA-	Aa3	04/11/17	04/17/17	69,967.80	1.97	621.83	69,972.57	70,025.55
INTEL CORP NOTES DTD 05/11/2017 1.850% 05/11/2020	458140AZ3	150,000.00	A+	A1	05/08/17	05/11/17	149,943.00	1.86	1,079.17	149,950.22	150,316.50
IBM CREDIT CORPORATE NOTE DTD 05/07/2013 1.625% 05/15/2020	459200HM6	150,000.00	A+	A1	08/01/17	08/03/17	149,431.50	1.76	920.83	149,464.36	149,350.95
HOME DEPOT INC CORP NOTES DTD 06/05/2017 1.800% 06/05/2020	437076BO4	80,000.00	A	A2	05/24/17	06/05/17	79,953.60	1.82	464.00	79,958.47	80,058.48
JOHN DEERE CAPITAL CORP NOTES DTD 06/22/2017 1.950% 06/22/2020	24422ETS8	20,000.00	A	A2	06/19/17	06/22/17	19,987.80	1.97	107.25	19,988.89	20,020.20
STATE STREET CORP NOTES DTD 08/18/2015 2.550% 08/18/2020	857477AS2	150,000.00	A	A1	06/08/17	06/13/17	152,811.00	1.94	456.88	152,554.72	152,599.95
CATERPILLAR FINL SERVICE NOTE DTD 09/07/2017 1.850% 09/04/2020	1491302A6	120,000.00	A	A3	09/05/17	09/07/17	119,899.20	1.88	148.00	119,901.38	119,446.32
COCA-COLA CO/THE GLOBAL NOTES DTD 11/15/2010 3.150% 11/15/2020	191216AR1	65,000.00	AA-	Aa3	09/08/17	09/12/17	67,737.80	1.78	773.50	67,693.78	67,581.02
VISA INC (CALLABLE) CORP NOTES DTD 12/14/2015 2.200% 12/14/2020	92826CAB8	40,000.00	A+	A1	08/25/17	08/30/17	40,440.00	1.85	261.56	40,428.64	40,408.40
BANK OF AMERICA CORP DTD 09/18/2017 2.328% 10/01/2021	06051GGS2	155,000.00	BBB+	Baa1	09/13/17	09/18/17	155,000.00	2.33	130.30	155,000.00	154,676.21



## Managed Account Detail of Securities Held

For the Month Ending **September 30, 2017**

### CITY OF DIXON

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Security Type Sub-Total</b>		<b>3,610,000.00</b>					<b>3,618,699.55</b>	<b>1.78</b>	<b>15,451.04</b>	<b>3,617,704.63</b>	<b>3,616,037.25</b>

### Commercial Paper

BANK OF TOKYO MITSUBISHI UFJ LTD CP DTD 04/26/2017 0.000% 10/24/2017	06538BXQ1	300,000.00	A-1	P-1	04/25/17	04/26/17	297,918.50	1.39	0.00	299,735.50	299,748.00
<b>Security Type Sub-Total</b>		<b>300,000.00</b>					<b>297,918.50</b>	<b>1.39</b>	<b>0.00</b>	<b>299,735.50</b>	<b>299,748.00</b>

### Certificate of Deposit

HSBC BANK USA NA CD DTD 11/18/2015 1.540% 11/17/2017	40428AR58	250,000.00	A-1+	P-1	11/17/15	11/18/15	250,000.00	1.54	7,304.31	250,000.00	250,099.00
ROYAL BANK OF CANADA NY CD DTD 03/15/2016 1.700% 03/09/2018	78009NZZ2	230,000.00	A-1+	P-1	03/11/16	03/15/16	230,000.00	1.69	238.94	230,000.00	230,317.40
TORONTO DOMINION BANK NY CD DTD 03/14/2016 1.720% 03/14/2018	89113E5E2	350,000.00	A-1+	P-1	03/14/16	03/16/16	350,000.00	1.72	3,361.17	350,000.00	350,535.50
CREDIT SUISSE NEW YORK CERT DEPOS DTD 09/20/2017 1.610% 06/15/2018	22549LFP5	250,000.00	A-1	P-1	09/19/17	09/20/17	250,000.00	1.61	122.99	250,000.00	250,030.48
CANADIAN IMPERIAL BANK NY CD DTD 12/05/2016 1.760% 11/30/2018	13606A5Z7	250,000.00	A+	A1	12/01/16	12/05/16	249,805.00	1.78	1,478.89	249,885.69	250,630.25
NORDEA BANK FINLAND NY CD DTD 12/05/2016 1.760% 11/30/2018	65558LWA6	250,000.00	AA-	Aa3	12/01/16	12/05/16	250,000.00	1.74	1,515.56	250,000.00	250,630.25
SVENSKA HANDELSBANKEN NY LT CD DTD 01/12/2017 1.890% 01/10/2019	86958JHB8	280,000.00	AA-	Aa2	01/10/17	01/12/17	280,000.00	1.91	1,220.10	280,000.00	279,102.60
BANK OF MONTREAL CHICAGO CERT DEPOS DTD 02/09/2017 1.880% 02/07/2019	06427KRC3	290,000.00	A+	A1	02/08/17	02/09/17	290,000.00	1.90	817.80	290,000.00	291,176.53
BANK OF NOVA SCOTIA HOUSTON LT CD DTD 04/06/2017 1.910% 04/05/2019	06417GUE6	290,000.00	A+	A1	04/05/17	04/06/17	290,000.00	1.91	2,738.73	290,000.00	289,622.71
SUMITOMO MITSUI BANK NY CD DTD 05/04/2017 2.050% 05/03/2019	86563YVNO	310,000.00	A	A1	05/03/17	05/04/17	310,000.00	2.05	2,594.96	310,000.00	310,579.70
SKANDINAV ENSKILDA BANKEN NY CD DTD 08/04/2017 1.840% 08/02/2019	83050FXT3	300,000.00	A+	Aa3	08/03/17	08/04/17	299,883.00	1.85	889.33	299,892.32	299,727.00



## Managed Account Detail of Securities Held

For the Month Ending **September 30, 2017**

### CITY OF DIXON

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Certificate of Deposit</b>											
BANK TOKYO MITSUBISHI UFJ LTD LT CD DTD 09/27/2017 2.070% 09/25/2019	06539RGM3	160,000.00	A+	A1	09/25/17	09/27/17	160,000.00	2.07	36.80	160,000.00	159,949.12
WESTPAC BANKING CORP NY CD DTD 08/07/2017 2.050% 08/03/2020	96121T4A3	290,000.00	AA-	Aa3	08/03/17	08/07/17	290,000.00	2.05	891.75	290,000.00	291,404.76
<b>Security Type Sub-Total</b>		<b>3,500,000.00</b>					<b>3,499,688.00</b>	<b>1.83</b>	<b>23,211.33</b>	<b>3,499,778.01</b>	<b>3,503,805.30</b>
<b>Asset-Backed Security / Collateralized Mortgage Obligation</b>											
HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	65,000.00	AAA	Aaa	09/25/17	09/29/17	64,992.96	1.94	6.46	64,992.97	64,932.94
<b>CCCIT 2017-A9 A9 DTD 10/02/2017 1.800% 09/20/2021</b>	<b>17305EGH2</b>	<b>175,000.00</b>	<b>NR</b>	<b>NR</b>	<b>09/25/17</b>	<b>10/02/17</b>	<b>174,986.96</b>	<b>1.80</b>	<b>0.00</b>	<b>174,986.96</b>	<b>175,000.00</b>
<b>Security Type Sub-Total</b>		<b>240,000.00</b>					<b>239,979.92</b>	<b>1.84</b>	<b>6.46</b>	<b>239,979.93</b>	<b>239,932.94</b>
<b>Managed Account Sub-Total</b>		<b>15,817,856.73</b>					<b>15,812,905.13</b>	<b>1.51</b>	<b>57,205.01</b>	<b>15,815,802.10</b>	<b>15,773,200.49</b>
<b>Securities Sub-Total</b>		<b>\$15,817,856.73</b>					<b>\$15,812,905.13</b>	<b>1.51%</b>	<b>\$57,205.01</b>	<b>\$15,815,802.10</b>	<b>\$15,773,200.49</b>
<b>Accrued Interest</b>											<b>\$57,205.01</b>
<b>Total Investments</b>											<b>\$15,830,405.50</b>

Bolded items are forward settling trades.

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**IMPORTANT DISCLOSURES**

This material is based on information obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some, but not all of which, are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.

- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

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**GLOSSARY**

- **ACCRUED INTEREST:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.
- **AMORTIZED COST:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **BANKERS' ACCEPTANCE:** A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **COMMERCIAL PAPER:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **CONTRIBUTION TO DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **DURATION TO WORST:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years, computed from cash flows to the maturity date or to the put date, whichever results in the highest yield to the investor.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount and expressed as a percentage.
- **MARKET VALUE:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.
- **NEGOTIABLE CERTIFICATES OF DEPOSIT:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **PAR VALUE:** The nominal dollar face amount of a security.

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**GLOSSARY**

- **PASS THROUGH SECURITY:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.
- **REPURCHASE AGREEMENTS:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **SETTLE DATE:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **TRADE DATE:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **UNSETTLED TRADE:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. TREASURY:** The department of the U.S. government that issues Treasury securities.
- **YIELD:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM AT COST:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM AT MARKET:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.